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ABSTRACT

The self-instructional program is designed to give students in grades 4-6 new insights into the concept of money. By using the programmed learning material the students become acquainted with the evolution of money through questioning techniques. Students explore the concepts of barter, token money, coins, paper money, and checks. The paper contains a program description, student instructions for answering the questions and checking for correct responses, the Money-Go-Round Self Teaching Program, a test, and an answer key. The study of money is logically and progressively sequenced and is completely self-contained. Learning is broken down into small, graduated steps that facilitate successful responses, and reinforcement is provided throughout by frames that review previously taught concepts. Supplemental relevant information, such as the life span of a piece of paper money and the weight problems engendered by large numbers of coins, is often included in the answers to frames. A final test and complete answer key conclude the document.
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MONEY-GO-ROUND

A SELF TEACHING PROGRAM

BY

JOHN TOMICH AND JAMES GILRAY

SØ 009 888

1973

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PROGRAM DESCRIPTION

Money-Go-Round, a self-teaching program, is designed to give a 4th - 6th grade student new insights into the concept of money. The student becomes acquainted with the evolution of money. The program explores the concept of barter, token money, coins, paper money and check money.

HOW TO USE THE PROGRAM
(Student Instructions)

1. Place a mask, such as a folded sheet of paper, over page one of the program titled Barter.

2. Now, move the mask down to frame 1-1. Read the statement carefully, noting the words that are in capital letters.

3. Move the mask down to frame 1-2. Read the question and write your answer on the blank line. Please note that the first letter of the answer is given as a clue.

4. Now, move the mask down to the answer frame. Compare your answer to the answer given.

5. As you work through the program. please raise your hand if you need help.

Barter

1-1 BARTER, which means to trick, not treat, in French, is the system of trading one item or SERVICE for another. It is a method of exchanging GOODS without the use of money.

1-2 If you were to trade a bike for a baseball glove, it would be a form of B_____.

(BARTER - of course!)

1-3 Would you have been cheated? Yes - No _____

(YES or No - How badly did you want the glove?)

1-4 If a dentist pulled one of your teeth in exchange for your pet dog, it would be a form of _____.

(BARTER)

1-5 Would you have been cheated? Yes - No _____

(YES or NO - A tooth for a dog?)

1-6 You can be very easily cheated when you BARTER for GOODS (a shirt) or a SERVICE (a haircut). Yes - No _____

(YES)

1-7 It is easy to decide what any GOODS (shoes) or SERVICES (education) are worth when you use the BARTERING system. Yes - No _____

(NO)

1-8 BARTERING for a S_____ or G_____ is risky because it is hard to decide on the worth of the item or service.

(SERVICE - GOODS)

1-9 Think about the GOODS you own. A bike, wrist watch, clothes. Did you receive these goods through BARTER? Yes - No _____

(NO - Money was exchanged for these goods.)

1-10 Since a BARTER system will break down as more and more people want to trade with each other, a better system had to be invented for the exchange of GOODS and SERVICES. (How would you like to try to exchange a tiger for a Beetle album?)

Can you guess what the new system was named? Token M_____

(TOKEN MONEY)

Review

1-11 A method of exchanging goods and services without the use of money is called _____.

1-12 If you could barter with someone for a haircut, the haircut could be called a _____.

1-13 If you could barter with someone for a coat, the coat would be called a _____.

Token Money

2-1 A bullet, an animal skin, or an iron nail (you name it) was used in the past to buy SERVICES (shoe repair) and GOODS (a fine horse). Such items, which we named TOKEN MONEY, were also useful. You could use a bullet in hunting, make a jacket out of an animal skin, use an iron nail in building a wagon, or you could use these items to buy a suit of clothes or a horse.

2-2 Twelve animal skins could buy a horse. The animal skins were called TOKEN M_____.

(TOKEN MONEY)

2-3 A horse is a GOOD or SERVICE? _____

(GOOD)

2-4 If horses were plentiful, you could probably buy a horse for six animal skins. Yes - No _____

(YES - We call that deflation.)

2-5 If three iron nails were charged by a doctor to dig out a bullet from a cattle rustler, the iron nails would be called T_____ MONEY.

(TOKEN MONEY)

2-6 If cattle rustlers were lined knee-deep to get bullets removed, the doctor might start charging six iron nails per rustler.
Yes - No _____

(YES - We call this inflation.)

2-7 TOKEN MONEY was used to buy GOODS and S_____.

(GOODS and SERVICES)

2-8 Rather than BARTERING for GOODS (a cow) and SERVICES (shoe repair) it is easier to trade when you use T_____ M_____.

(TOKEN MONEY)

2-9 TOKEN MONEY was an old fashioned way to buy G_____ and SERVICES.

(GOODS)

2-10 T_____ M_____ was usually accepted at the same VALUE by everybody.

(TOKEN MONEY)

2-11 _____ _____ was useful among people who had no MEDIUM OF EXCHANGE (some form of money with established value like our dollar bill).

(TOKEN MONEY)

2-12 TOKEN MONEY was a measure of established V _ _ _ E in terms of animal skins, number of bullets, number of iron nails, etc. Example: Three skins can be exchanged for a wagon by anyone, anytime.

(VALUE)

2-13 Most any item you can think of could be used as token money.
Yes - No _____

(YES - If people will agree to accept it.)

2-14 Would you accept ice as TOKEN MONEY? Yes - No _____

(YES or NO - What if it melts?)

2-15 Would you accept rice as token money? Yes - No _____

(YES or NO - What if it spoiled?)

2-16 Would you accept an ox as token money? Yes - No _____

(YES or NO - What if it ran away?)

If you lived in a small village or town and knew almost everybody, you could live with a form of BARTER or TOKEN MONEY. But, as soon as you began to trade with other towns or countries, a form of TOKEN MONEY would become impractical. You would have to invent a better way to trade for GOODS and SERVICES. The better way was a social invention which we call coins.

2-17 A penny, nickel or quarter is called a C _ _ _.

(COIN)

Review

2-18 An animal skin, cattle, grain, salt, or an iron nail was a form of _____ _____.

2-19 A cow is a GOOD or SERVICE? _____

2-20 A haircut is a GOOD or SERVICE? _____

2-21 At one time, you could buy GOODS and SERVICES by spending _____ _____.

Coins

3-1 Here is a recipe for making a coin:

A. Get a piece of metal (a mixture of copper and zinc is used in making a penny.)

B. Stamp a design on it to keep counterfeiters unhappy.

C. Mark it to show value (1¢, 5¢, 10¢, 25¢, 50¢).

D. Put a date on it.

E. Imprint the motto "In God We Trust".

F. The shiny new COIN is ready to be used. Would you put the coin in a bank, or spend it? _____

(Are you the last of the great spenders?)

3-2 Now, if a weak or dishonest government made the above COIN, people would not trust it. Since it is made by the United States Government, people do have faith and trust in it and use it freely. For the non-believers there is a law which states that the penny, nickel, dime, quarter and half dollar must be accepted as payment for GOODS (stick of gum) or SERVICES (car repair).

3-3 Money is anything that men agree to use to pay for GOODS and SERVICES. A C_____ is money.

(COIN)

3-4 A penny is a C_____.

(COIN)

3-5 You can exchange COINS for G_____ or S_____.

(GOODS or SERVICES)

3-6 You can buy GOODS and SERVICES with COINS, or deposit them in a B_____.

(BANK - Your coin would earn interest in a bank.)

3-7 "In God We Trust" is a motto found on all United States _____.

(COINS or MONEY)

3-8 COINS are a form of M_____Y.

(MONEY)

3-9 People have faith in United States coins. Yes - No _____

(YES)

3-10 Coins are a form of cash. Yes - No _____

(YES - In China coins are called cash.)

3-11 A coin is a MEDIUM OF EXCHANGE. Please write the underlined phrase. _____

(Thank you)

3-12 We use COINS in making change in stores. Coins are a fine M_____ __ E_____.

(MEDIUM OF EXCHANGE)

3-13 A clerk in a store will accept a COIN in payment for a ball point pen. Since the coin has a fixed value (5¢ or 10¢) it is accepted as a M_____ __ E_____.

(MEDIUM OF EXCHANGE)

3-14 COINS are a better MEDIUM OF EXCHANGE than TOKEN MONEY. Yes - No _____

(YES)

3-15 Since a COIN is easy to carry in your pocket, it is a good MEDIUM OF EXCHANGE. Yes - No _____

(YES or NO - A coin could be easily stolen or lost.)

3-16 A COIN is a <u>STORE OF VALUE</u>. Please write the underlined phrase. _____

(Thank you)

3-17 A quarter (25¢ coin) can be spent today or saved for a future purchase. This means that a coin has a STORE OF V_____.

(STORE OF VALUE)

3-18 A COIN will not spoil. Yes - No _____

(YES - But inflation can make it buy less.)

3-19 A COIN can be stolen. Yes - No _____

(YES - Since it has a store of value, a thief wants your coins.)

3-20 Old time pirates knew that coins had a S_____ of V_____.

(STORE OF VALUE - Pirates were famous for burying treasure.)

3-21 A coin is a STANDARD OF VALUE. Please write the underlined phrase. _____

(Thank you)

3-22 A store clerk puts a price of 10¢ on a pencil. The coin measured the worth of the pencil. The coin is said to be a S_____ of VALUE.

(STANDARD OF VALUE)

3-23 COINS have little or no value in themselves. The coin's value lies in what it can purchase. COINS are a STANDARD of V_____.

(STANDARD OF VALUE)

3-24 A coin (1¢) can be exchanged for goods (a stick of gum).
The penny is a S_____ of V_____.

(STANDARD OF VALUE)

3-25 A COIN (5¢) can be exchanged for a small candy bar. The nickle is a S_____ of V_____.

(STANDARD OF VALUE)

3-26 A COIN has three general features:

A. It has a S_____ of V_____.
(You can save your coins - they won't spoil.)

B. It is a S_____ of V_____.
(One pencil 10¢)

C. It is our M_____ of E_____.
(Any store will accept your coins for goods or services.)

(A. STORE OF VALUE, B. STANDARD OF VALUE, C. MEDIUM OF EXCHANGE)

3-27 COINS were, and still are, used in trading for GOODS and SERVICES. But one big problem arose. As more and more coins were being used by people and businesses, they got to be too bulky and heavy to handle in large amounts. Imagine the problem your father would have if he was paid in coins each week or month. He would have to carry his wages or salary in a heavy sack.

3-28 Though COINS are a near perfect medium of exchange, another form of money had to be invented that wasn't so heavy. It had to be easy to carry and store. It was named p _ _ _ r MONEY.

(PAPER MONEY)

Review

3-29 A quarter is a _____.

3-30 It is easy for a counterfeiter to make a coin. Yes - No _____

3-31 COINS are a _____ of _____. (You can deposit them in a bank.)

3-32 COINS are a _____ of _____.

3-33 COINS are a _____ of _____. (A merchant will be pleased to exchange your coin for goods or services.)

3-34 COINS are a form of money. Yes - No _____

3-35 Coins are a better MEDIUM OF EXCHANGE than token money. Yes - No _____

3-36 COINS are a perfect medium of exchange. Yes - No _____

Paper Money

4-1 A dollar bill, which is called a FEDERAL RESERVE NOTE, is handy to have in your pocket, purse, or in the bank. Other handy FEDERAL RESERVE NOTES (paper money) come in different values. These include a twenty dollar bill ($20.00), a five hundred dollar bill ($500.00), or a ten thousand dollar bill ($10,000). These FEDERAL RESERVE NOTES are made from very special paper (counterfeit-proof). Each NOTE includes a portrait of a famous American, the value of the bill, and a serial number.

4-2 An official name for United States paper money ($5,000 bill) is F_____ RESERVE NOTES.

(FEDERAL RESERVE NOTES - They are made so perfectly they give counterfeiters sleepless nights.)

4-3 A FEDERAL RESERVE N_____ is given tis value ($1.00) by the United States Government.

(FEDERAL RESERVE NOTE - Did you know that a dollar bill wears out in 18 months?)

4-4 Portraits of famous Americans (George Washington is on the one dollar bill) appear on FEDERAL R_____ NOTES.

(FEDERAL RESERVE NOTES - Some people call them greenbacks)

4-5 F_____ R_____ N_____ are issued by the United States Government.

(FEDERAL RESERVE NOTES - Popularily known as dollar bills - some people call them greasy green stuff.)

4-6 FEDERAL RESERVE NOTES ($10,00 bill) are easy to carry and store. Yes - No _____

(YES - In China, early paper money was as big as a sheet of typing paper.)

4-7 A FEDERAL RESERVE NOTE ($50.00 bill) must be accpeted in payment of a debt. Yes - No _____

(YES - A note is LEGAL TENDER, which means it must be accepted by all merchants.)

4-8 Money (FEDERAL RESERVE NOTES) which by law must be accepted in payment of a debt is called LEGAL T_____.

(LEGAL TENDER)

4-9 A Federal Reserve Note ($10,000 bill) is a MEDIUM OF EXCHANGE. Yes - No _____

(YES - Money is accepted by all for the exchange of goods and services.

4-10 A Federal Reserve Note is a STORE OF VALUE. Yes - No _____

(YES - You can save the note for a future pruchase.)

4-11 A Federal Reserve Note is a STANDARD OF VALUE. Yes - No _____

(YES - In Japan the standard of value is the yen.)

4-12 We exchange FEDERAL RESERVE NOTES for G_____ and S_____.

(GOODS AND SERVICES)

4-13 A FEDERAL RESERVE NOTE is money. Yes - No _____

(YES - Did you know that when a note wears out or is torn, the Government burns it and replaces it with a brand new one?)

4-14 If you DEPOSIT a Federal Reserve Note in a bank it will earn I_____.

(INTEREST - A bank pays you for the use of your money.)

4-15 When a bank pays you for the use of your Federal Reserve Notes it is called _____.

(INTEREST - If you have a savings bank book, congratulations.)

4-16 CURRENCY includes coins and dollars. Federal Reserve Notes are a form of C_____.

(CURRENCY - Many difficult words are used when we talk about money, even some bankers have problems understanding each other.)

4-17 As with coins, Federal Reserve Notes are a useful form of money. As with coins, Federal Reserve Notes also have a big shortcoming. The United States has about 30 to 50 billion dollars in Federal Reserve Notes and currency circulating in our country. But that's only about 10% of the amount that is needed to keep things going. The Government could create more coins and Federal Reserve Notes but business people would be swamped keeping track of so much currency. So we came up with another social invention.

It is called CHECK M _ _ _ Y.

(CHECK MONEY)

Review

4-18 An official name for United States paper money is

_____ _____ - _____

4-19 States issue Federal Reserve Notes. Yes - No _____

4-20 A Federal Reserve Note is legal tender. Yes - No _____

4-21 A Federal Reserve Note is a medium of _____.

4-22 Goods and services are exchanged for _____ _____ _____.

4-23 A FEDERAL RESERVE NOTE is money. Yes - No _____.

4-24 A bank pays _____ for the use of your Federal Reserve Notes.

Check Money

5-1 A little known fact is that about 10% of the GOODS and SERVICES we buy are exchanged for CURRENCY (coins and Federal Reserve Notes.) The rest of the payments, about 90%, are made by CHECK MONEY through the checking account route.

A BANK makes it very easy for you or a business to use CHECK MONEY (Personal or Business Checks). All you have to do is open a CHECKING ACCOUNT.

5-2 Would you like to start using CHECK MONEY. Just have your favorite rich uncle deposit some FEDERAL RESERVE NOTES in a BANK, pick up your personally designed check book, and you will have what is generally called a

C_____ ACCOUNT.

(CHECKING ACCOUNT - You will be in good company because over 60 million people use checking accounts.)

5-3 A CHECKING A_____ is not free. Every time you write a check, the bank will generally charge a fee.

(CHECKING ACCOUNT - Nothing is really free. Either you pay a fee for each check you write, or the bank requests that you keep (X) amount of Federal Reserve Notes on deposit without INTEREST.)

5-4 A CHECKING ACCOUNT enables you to write C_____ MONEY. (Personal or Business checks.)

(CHECK MONEY - It can be used in exchange of GOODS and SERVICES. We could call CHECK MONEY paper gold.)

5-5 We use CURRENCY (Coins and Federal Reserve Notes) for about ___% of our business transactions.

(10% - This amounts to billions and billions of dollars.)

5-6 We use C_____ M_____ (Personal or Business checks) for about 90% of our business dealings.

(CHECK MONEY - It is used widely because it is safer than carrying around pocketfuls of Federal Reserve Notes and Coins.)

5-7 CURRENCY (Federal Reserve Notes and Coins) can be lost, stolen or destroyed. Yes - No _____

(YES - Once currency is destroyed, it is gone forever.)

5-8 CHECK MONEY, through the magic of a CHECKING ACCOUNT, is theft proof, and fire proof. Yes - No _____

(YES - If a check is destroyed, you simply write another one, if stolen, notify your bank.)

5-9 The government guarantees to the person receiving C_____ that it will be honored for the exchange of GOODS and SERVICES.

(CURRENCY - It is as good as gold, and it won't tarnish.)

5-10 A BANK guarantees to the person receiving C_____ M_____ (Personal and business checks) that it will be honored for the payment of a debt. Yes - No _____

(CHECK MONEY, NO - A BANK will only guarantee a CERTIFIED CHECK, which means that the bank will back the check with its reputation and money.)

5-11 You give your personal guarantee to the person receiving your check that it will be honored in the exchange of GOODS and SERVICES. Yes - No _____

(YES - Your word is your guarantee. Is your word good? Your word is your reputation.)

5-12 A stranger can use C_____ (Coins and Federal Reserve Notes) to do business.

(CURRENCY - Even a suspicious looking stranger has no trouble using currency even if he happens to have snake eyes.)

5-13 A stranger can use CHECK MONEY to do business. Yes - No _____

(NO - CHECK MONEY is acceptable only if you are will known and trusted. Your looks don't matter.)

5-14 A person who writes a check (issues CHECK MONEY) for a bill guarantees payment. Yes - No _____

(YES - The person must be trustworthy, otherwise the guarantee is worthless.)

5-15 You have heard of a bouncing ball, but did you know that CHECK MONEY can also bounce? Yes - No _____

(CHECK MONEY can bounce. It has worth only if you have deposited currency in the bank to make the check good.)

5-16 Ten percent of our business (paying bills) is done with currency, but 90% is done with C_____ MONEY.

(CHECK MONEY - It is good to know that almost everybody you meet is honest, otherwise CHECK MONEY would be an impractical MEDIUM OF EXCHANGE.)

5-17 CHECK MONEY is not only safe, but the cancelled check is proof of payment for a bill Yes - No _____

(YES - You don't have to ask for a receipt when you pay by check.)

5-18 A bank usually charges a fee whenever you write a check (create CHECK MONEY). Yes - No _____

(YES - A bank is in business to make a profit.)

5-19 The supply of C_____ (Coins and Federal Reserve Notes) is too small to take care of the needs of business, so 90% of the money used in the United States is in the form of CHECK MONEY.

(CURRENCY - People still have more confidence in currency than in CHECK MONEY. Try using check money in a strange town on a Sunday afternoon to buy a piano.)

5-20 CHECK MONEY is used 9 out of 10 times in making all kinds of payments. For every payment made by cash, ____ payments are made by CHECK MONEY.

(9 - Isn't that an amazing statistic?)

Review

5-21 A CHECKING ACCOUNT enables you to use _____ _____.

5-22 Personal and business checks are called CHECK MONEY. Yes - No ____

5-23 CHECK MONEY is safer to use than CURRENCY. Yes - No _____

5-24 You, personally, guarantee the worth of _____ _____.

5-25 To write CHECK MONEY all you have to do is start up a _____ _____.

5-26 We have briefly taken you on a money tour from the time of barter, to token money, to coins and Federal Reserve Notes, and on through check money via checking accounts.

What do you suppose is the next logical technological advancement? Could it be individual home computers (installed for a fee) plugged into a master computer at your favorite bank? It's a possibility.

TEST

____ 1. You trade a baseball in exchange for your friend's pocket flashlight. This trade can be called

a. An investment b. Barter c. Medium of exchange

____ 2 In the trade you made, which statement should best describe how you and your friend felt?

a. Your friend thought the flashlight had little value and your baseball had great value.
b. You thought the flashlight had great value and your baseball had little value.
c. You and your friend thought the flashlight and baseball had equal value.
d. Answers a and b together.

____ 3 The members of a boys' club used baseball cards to purchase services from one another. If one boy cleaned the clubhouse for another, the fee was five baseball cards. If a boy borrowed another's baseball glove, the fee was two cards. The boys were using the baseball cards as

a. Token money b. Check money c. Investment money

____ 4 In the past, some groups of people used rice to buy goods as well as services. We would say they used rice as

a. A scarse item b. A medium of exchange c. Check money

____ 5 We would choose to use coins to buy things rather than using rice because

a. Rice has no value b. Rice is scarse c. Rice will spoil

____ 6 The coins we use to buy things are made by the

a. State governments b. United States Government c. Bankers

____ 7 Many bicycles are in the stores. People do not wish to buy the bicycles. The stores lower the prices

on the bicycles to get more people to buy them. A term to describe this situation is

a. Inflation b. Deflation c. Moneyplay

____ 8 When we say that coins have a store of value, we mean

a. Coins may be used to buy any type of article
b. For every coin there is an equal amount of gold
c. Coins may be saved today or saved to buy something at someother time.

____ 9 Which would you most likely <u>not</u> receive as a part of a payment for a service you did for someone?

a. A 1936 penny
b. A 1970 dime
c. A 1940 dollar bill

____10 Which term does not appear on a dollar bill?

a. United States Currency
b. In God W. Trust
c. Federal Reserve Note

____11 If fifty cents will buy two dozen oranges in Santa Anna, California and will buy one dozen oranges in Chicago, Illinois, we would reason that

a. Fifty cents has less value in Chicago.
b. A dozen oranges has added value in Chicago.
c. Fifty cents has an added value in Santa Anna.

____12 We deposit money in a savings account at a bank because

a. It is safe and you can write checks instead of carrying the money.
b. The bank will loan the money to other people and pay you interest on your money.
c. Neither A nor B. It is just a safe place to keep money

____13 You have one hundred dollars in a checking account and you write a check for ten dollars. Writing the check will cost you

a. Slightly more than ten dollars
b. Slightly less than ten dollars
c. Exactly ten dollars

____14 An official name for a piece of United States paper money is

a. Bank note b. Federal Reserve Note c. U.S. Government Bond

____15 Out of every one hundred purchases of goods and services in our country, about ninety are paid for by

a. Coins b. Federal Reserve Notes c. Checks d. Both A and B

____16 A barber cuts your hair. He charges you for a

a. Good b. Service c. A good and service

____17 You go to the eye doctor. He tests your eyes and you buy a pair of glasses in his office. The doctor charges you for a

a. Good b. Service c. A good and service

____18 There is a new toy on the market. People like it and rush to the store to buy it. The stores sell out quickly. After the stores receive new supplies of the toy to sell, they raise the price. This situation is called a

a. Inflation b. Deflation c. Neither A nor B

____19 You go to the grocery store and buy several items. Which type of payment would the grocer most want to have you make?

a. Check b. Currency c. Credit Card

____20 A grocer takes your father's check. This means that

a. The grocer has faith in the U. S. Government
b. The grocer has faith in the bank
c. The grocer has faith in your father.

ANSWER KEY

A. Barter Review

1-11 Barter
1-12 Service
1-13 Good

B. Token Money Review

2-18 Token Money
2-19 Good
2-20 Service
2-21 Token Money

C. Coin Review

3-29 Coin
3-30 No
3-31 Store of Value
3-32 Standard of Value
3-33 Medium of Exchange
3-34 Yes
3-35 Yes
3-36 Yes or No

D. Paper Money Review

4-18 Federal Reserve Notes
4-19 No
4-20 Yes
4-21 Medium of Exchange
4-22 Federal Reserve Notes
4-23 Yes
4-24 Interest

E. Check Money Review

5-21 Check Money
5-22 Yes
5-23 Yes
5-24 Check Money
5-25 Check Aoount

F. Test

1. b. Barter

2. c. You and your friend thought the flashlight and baseball had equal value.
3. a. Token money
4. b. A medium of exchange
5. c. Rice will spoil
6. b. United States Government
7. b. Deflation
8. c. Coins may be saved today or saved to buy something at someother time.
9. c. A 1940 dollar bill
10. a. United States Currency
11. b. A dozen oranges has added value in Chicago
12. b. The bank will loan the money to other people and pay you interest on your money.
13. a. Slightly more than ten dollars
14. b. Federal Reserve Note
15. c. Checks
16. b. Service
17. c. A good and service
18. a. Inflation
19. b. Currency
20. c. The grocer has faith in your father.